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## **The Welfare State: A Critique, A Marxist Critique of the Welfare State**

The Welfare State, surely the most monumental achievement of the British working people. A blow to the heart of capital, to the greedy moneybags who would abolish all taxes. The institution which would care for the working people of Britain from “cradle to grave”. Proof that parliament too can take progressive steps toward socialism and at the same time strike out at capital. There is no doubt that much of this is true. The Welfare State has been a boon for the working people of Britain (notwithstanding the whining of a few conservatives about “spongers”). However, I would not argue that the Welfare State is detrimental to capital; instead I would argue the exact opposite. Before I launch into my analysis of the Welfare State it is necessary to say a little about how it developed in Britain and how it has progressed since, in its “self movement”, it is also necessary so as to see whether or not the Welfare State was a result of “parliamentary socialism”. So firstly, the context. Britain had just come out of World War Two, losing untold millions of men. Social unrest at home was high and there was a severe disenchantment with militarism. All this meant that the internal balance of forces was very much a radical one, with the working class coming to the fore during the war effort and the “parties of the working class” (Labour but also the Communist Party) enjoying much prestige. The international balance of forces was also very much conducive to a left solution; the Soviet Union had successfully industrialised and fended off the Nazi war machine and many intellectuals had returned from the USSR speaking of miracles.

This combination of the internal and external factors could have proved very problematic for the ruling class of Britain. The working classes had been radicalised, as had large amounts of the middle strata, but not only that; actually existing socialism now provided a powerful counter example to capitalist development. All of these factors meant that the working classes of Britain were acquiring an increasingly revolutionary consciousness, the antagonism becoming ever more open. The working classes of Britain began to struggle, Labour came to power and Capital began to tremble. Open force would not be able to contain the working class unrest; capitalist hegemony could only be maintained through severe compromise. And so it came to be, utilising Labour (at this point not completely subservient to Capital, but objectively serving to dampen revolutionary consciousness) introduced the Welfare State, a socialistic measure that would serve the people of Britain “from cradle to grave” with healthcare, education and benefits provided by the state.

And how was this to be financed? Although the burden would fall on all via taxes, it would be the rich who would provide much of the money.

Capital sacrificed its profit in order to save its rule. It would therefore seem that the Welfare State was truly a great achievement for the British working class; they had successfully forced Capital into a historic compromise, taking a significant advancement towards socialism. I think my brief discussion shows that the parliamentary solution was only made possible by the threat of violence. The Soviet Union hung over the ruling classes like the sword of Damocles, as did an increasingly radical population, parliament was the last refuge of a ruling class fearing violent change.

Now, as I have already said the Welfare State did serve capital, by preventing its overthrow and becoming an organic part of the capitalist hegemony. However, at first sight it would seem that, although it was hegemonic it was a necessarily socialistic constraint placed on capital, this is where I disagree; those who think this obviously neglect the nature of totality, and thus the dialectic. Although abstracted from the concrete totality of capitalist relations the Welfare State may well seem socialistic, it is necessarily to note that:

“Integration in the totality (which rests on the assumption that it is precisely the whole of the historical process that constitutes the authentic historical reality) does not merely affect our judgement of individual phenomena decisively. But also, as a result, the objective structure, the actual content of the individual phenomena - as individual phenomenon - is changed fundamentally.<sup>1</sup>”

Every social system has a knack of assimilating foreign content and rendering it as part of its objective processes. Unless the capitalist system is completely abolished any individual forms are necessarily filled with capitalistic content, thus in the integrated world-system of capitalism, for example feudal and semi-feudal states still exist as part of the global capitalist system. This is important, for although the Welfare State was socialistic in form it is my contention that, as it formed part of a totality of social relations, its content was necessarily capitalistic, just as in the total relations of a slave society certain people (form) become property, that is to say, slaves (content)<sup>2</sup>.

Now this may shock some. Am I saying the Welfare State is reactionary? Well no. But what I am saying is that the Welfare State does serve the needs of capital, as will any institution that does not make a radical break with it. But how does it serve capital? Well in order to answer this I am going to take a similar path to that of the now discredited Louis Althusser in his *Ideology and State Apparatuses*. Essentially, Althusser shows the role of the state in the reproduction of the conditions of production, I believe that the Welfare State does serve this role, as I shall now outline.

“The owner of labour-power is mortal. If then his appearance in the market is to be continuous, and the continuous conversion of money into capital assumes this, the seller of labour-power must perpetuate himself, "in the way that every living individual perpetuates himself, by procreation." The labour-power withdrawn from the market by wear and tear and death, must be continually replaced by, at the very least, an equal amount of fresh labour-power. Hence the sum of the means of subsistence necessary for the production of labour-power must include the means necessary for the labourer's substitutes, i.e., his children, in order that this race of peculiar commodity-owners may perpetuate its appearance in the market.<sup>4</sup>”

In the capitalist mode of production wage labour requires capital and vice versa (5) therefore capital must always ensure the conditions for labour's reproduction and often its expansion. This is guaranteed by the wage that the capitalist pays the labourer. Now this basic wage is culturally specific and determined by historic factors for each country. But if the capitalist employs or wants to employ skilled labour, then the wage will obviously have to take this into account, knowledge has to be paid for. Education and skills must necessarily be reproduced in order for capitalist production to continue, this is especially true in Britain today.

This is not to posit that labour and capital cannot exist without each other, or to say that labour has an interest in raising capital's profits. What I am saying is that wage labour and capital form each other's presuppositions, under a capitalist system. In order to appropriate surplus labour, the capitalist must first create necessary labour, thus, capital is dependent on wage labour and vice versa. However, labour in general is not dependent on capital. In this way labour must constantly be reproduced. This occurs at different nexus points, the most important being the family, here labour is fed and cared for, whilst potential labour is raised. However, the family is not the only nexus point for the reproduction of labour power, and increasingly the Welfare State has become one.

Now it is fairly obvious how the Welfare State aids the capitalist in this. The Welfare State provides education and healthcare for all of the working class, often to a very high level, thus facilitating the maintenance and reproduction of skilled labour. The healthcare and education services also solve a “transformation problem” for capital. Before when the worker was paid a wage it could be spent on what he wanted, within the bounds of reason and income. Therefore, although healthcare and education were often available, a worker might decide his money was better spent on something else. Capital's pittance of a wage was not having its desired effect. This problem has been rectified by the introduction of universal “free” healthcare and compulsory

education. The worker has no choice but to sacrifice part of his wage for this essential reproduction of life and skilled labour. The fact that healthcare is free and easily available means that the worker will utilise it (as his money has already been taken as taxes). Since education is free and compulsory, labour skills are constantly reproduced and improved, whereas before the wage might also have been spent on something else, or perhaps the “wrong” type of education. Thanks to the introduction of the Welfare State capital can guarantee the production of skilled labour year after year. This is especially important in the imperialist centres, because here the labour is much less expendable.

Since education is both free and compulsory every member of the working class is educated to at least a reasonable degree. This itself will have consequences for wages. In order to maintain low wages and to divide the working class, capital finds it useful to maintain an army of reserve labour, the unemployed. Firstly it should be noted that the Welfare State provides enough money for the reserve army of labour to survive. At first sight this would seem to suggest that the capitalists are making unemployment seem comfortable (as right wing critics are often heard to say), however, again the problem of reproduction resurfaces. Since the capitalist now allows the unemployed a trifling benefit the unemployed can reproduce. This means that the reserve army is relatively constant in size or consistently growing, this means that those with jobs will have their wages forced down by competition. It also promotes loyalty amongst those who are employed – “look how many people don’t have jobs!” This fact is compounded by the compulsory education that capital provides. The only way that the reserve army can serve as competition is if it has the potential to do the jobs of the employed. Under the Welfare State even the unemployed are well educated, thus increasing capital’s power over the labour force (“there are plenty of people smart enough to fill your boots!”)

Now although the capitalists are taxed for this, it must be remembered that capitalism is now a global system. Monopoly capital operates in both the imperialist centres and the colonial periphery. In the periphery the monopolies have a much higher rate of profit due to lower wage costs. In the periphery the rate of exploitation is much higher and the capitalist is able to extract massive profits, as much of the working day constitutes itself as surplus value. This surplus value compensates for the taxes that have to be paid in the imperialist centres.

This is compounded by the fact that many of the capitalist class have worked out careful ways of dodging most of the taxes, via offshore bank accounts and tax loopholes. In the end this means that the monopoly capitalists have created pools of relatively skilled labour, useful for their most complex projects. The burden of reproduction is thus shifted throughout the entire country and also onto the periphery, where historic

conditions and the lack of a powerful labour movement has reduced wages to minimum. The Welfare State thus greatly reduces the effort that capital has to go to in order to reproduce labour but also allows them to carry out the division of labour on an international scale, reducing their costs and thus increasing their profits, as only certain types of production need take place in certain countries. Capital is now absolved of direct responsibility to the labour, as its task has been taken over by the Welfare State.

In the end the Welfare State greatly facilitates the reproduction of labour power under capital, something essential for its existence. However, it is not just necessary that people and skill are reproduced; a certain relation must also be constantly reproduced:

“Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage-labourer.<sup>6</sup>”

How is it possible to reproduce a wage labourer? Wage labour is a social relation. Thus what needs to be produced is a certain mindset, a system of values conducive to the creation of wage labourers. And this is again where the Welfare State intervenes. In extending the state to education its influence was allowed to permeate throughout the youth. Now this seems fine, if we make the assumption that the state is neutral, however, as Marxists, we know that this is not the case. The state today is a class state, and those who control the reigns of the state, directly or indirectly, are the capitalists. Thus state education is inevitably “capitalist education”, that is to say that it promotes false consciousness.

This point deserves further exploration, as it is the crux of a very important reproduction process. Although one can simply reduce the state education system to a simple function of ideological propaganda, it is not that simple. One of capitalism’s presuppositions is that individuals be separated from the production process. Only then could the capitalist monopolise the means of production and so create a class that could only make its money by selling their labour power to capital. This was and is principally facilitated by the separation of labour from the instruments and materials of production <sup>7</sup>. But it is also continued by making sure that no worker has the knowledge or ability to carry out the total production process, for he who can produce has power, this is the division of labour, most keenly felt in the separation of manual and mental labour. Although not exclusive to capitalism, this division gives the capitalist immeasurable power over the worker, he who controls the production process controls life. The precondition for communism is the

abolishment of the division of labour, and the “free development of all”. The division of labour also extends to bourgeois academic fields, which consider the different elements of society as isolated individual units; this is in marked distinction to Marxism which conceptualises society in terms of an organic totality.

Therefore it is greatly to capital’s advantage if the mass of people think in terms of the “division of labour”, considering their disciplines as unconnected to society as a whole. This view is essentially a disempowering one, which a priori rejects the idea of resistance or profound change because it does not see the interdependence of phenomena. And how does this all relate to education? Well if one observes the manner in which our state education system works we can see that children are immediately subjected to the division of labour, which becomes progressively more acute as they progress up the “educational ladder”.

Thus as soon as children enter the educational establishment they are taught technical, scientific, social, mathematic and historic lesson as subjects. Each subject is seen and taught as a thing in itself, existing in a vacuum. This is aggravated as the students grow older. Subjects are all examined separately and specialisation is increasingly carried out, until the student reaches university. In universities the students learn one subject; they are immersed in it and are necessarily disconnected from the rest of the world. This process constantly reproduces the division of labour and perpetuates bourgeois thought (that is to say false consciousness). This is compounded by the more obvious functions of educational hegemony, namely outright propaganda.

This is exemplified in our country by Citizenship courses, teaching people how to be “good citizens”, the fact that man as “citoyen” is an essentially bourgeois concept is never mentioned, and instead bourgeois liberalism is promoted as the only “humane” way of life. This is combined with courses in history that in a very reductionist way posits every socialist state as an unmitigated failure, immediately closing off a radical discourse as “impossible to achieve” or “tyrannical”<sup>8</sup>. Of course there are individual teachers who take a progressive position. But as I have already said the social relationships surrounding and engendered by state education fill it with capitalistic content. For the individual teacher can only work within certain bounds (syllabi and subjects) and has to reach certain goals (examination) that automatically stifle creative application and progressive teaching.

Perhaps I have gone off on a tangent here, but what I hope I have shown is that “state education” is not some kind of democratic advance. Instead it is a necessary policy carried out by capital, the only way to guarantee the reproduction of skilled labour and an ideological

accompaniment to the material reproduction of the labour-capital relationship and the division of labour. Education, like the rest of the Welfare State, is a necessary compromise that strengthens capital in a double sense.

My brief sketch seems to have painted a very clear image; the Welfare State is an unmitigated success for capital. Now, this is not true, however, the prevalent opinion on the Left is that the Welfare State is purely a hegemonic entity and a necessary compromise on the part of Capital, or worse, that it is proof of parliamentary socialism's efficiency. I hope I have showed that this is a profoundly undialectical analysis, one that fails to recognise the interconnectedness of the phenomena in a social system and is thus overly optimistic. So I have left out the positive aspects of the Welfare State because, in the words of Lenin:

“To straighten matters out somebody had to pull in the other direction, and that is what I have done.<sup>9</sup>”

But the question still remains. If the Welfare State is so good, why are they attempting to roll it back? The answer is a peculiar one, and lies in the nature of capital itself. The very nature of capital is to tend towards a constant self expansion. It must constantly do this so as to realise itself as surplus capital. Eventually capital will saturate a given branch of industry and will therefore seek to colonise new spaces. This is the logic of capital, the logic of the free market, everything must become a commodity, and everything must become alienable.

The capitalist is just the personification of capital (which is itself merely a social relation) and so follows capital's logic infallibly, he may not realise it, but he does it nonetheless. This is (false) bourgeois consciousness.

Although capital as a class will always unite to defend its immediate interests, when it comes to everyday life the capitalists are in constant competition and disagreement. Thus when capital was threatened by the very real prospect of a Communist insurrection they mobilised quickly via the Labour Party, forming a united front and compromising their position. However, now the historic presuppositions for the Welfare State have vanished and capital is not directly threatened.

Thus the logic of survival has vanished and inexorable logic of self expansion has instead taken its place. Capital, with its necessarily false consciousness and fragmented view cannot see the Welfare State as anything but a business opportunity, and now that any immediate threat has passed the Welfare State is ripe for the picking. Of course this is only certain elements, capital understands the need for mass education and will only indirectly colonise it, especially as it will have a captive audience. It also (in the main) understands that the unemployed in the

central countries must kept alive, so as to keep up appearances and force down wages generally. Its main target is health (having already gobbled up transport and utilities). Under the banner of “free choice” and “public private partnerships” the NHS is being destroyed by stealth and capital’s own short-sightedness.

So, what should Communists do? Should we really defend an institution integral to the functioning of capitalism, one founded on the division between the centre and periphery? In short, yes:

“The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class, but in the movement of the present, they also represent and take care of the future of that moment.<sup>10</sup>”

This dialectical proposition points the way forward. We must mobilise to defend what is undoubtedly a gain for the working masses of Britain. We cannot oppose the Welfare State solely because it helps capital; the Welfare State is a progressive development of capital. The mark of a dialectician is being able to grasp the contradiction that the Welfare State is both progressive and reactionary in the same moment. And this is carried forward into present day praxis. We must defend the Welfare State as a real gain of the working people, whilst simultaneously positing that it is not enough. To merely struggle to maintain it amounts to becoming the pawns of capital, doing its bidding. We must instead use the struggle to show the working people that capital will not compromise forever, and we must fight for every last gain, and constantly be on our vigilance. The Welfare State can only be seen as the context for mobilisation, radicalisation and insurrection, not as an aim in itself.

1. Georg Lukacs, *History & Class Consciousness*
2. “What is a Negro slave? A man of the black race. The one explanation is worthy of the other. A Negro is a Negro. Only under certain conditions does he become a slave.” Marx, *Wage Labour and Capital*
3. Available in *Lenin and Philosophy and Other Essays*
4. Karl Marx, *Capital: Volume 1*
5. “Thus, the question whether capital is productive or not is absurd. Labour itself is productive only if absorbed into capital, where capital forms the basis of production, and where the capitalist is therefore in command of production.” Karl Marx, *The Grundrisse*
6. Karl Marx, *Capital: Volume 1*
7. “Within the production process, the separation of labour from its objective moments of existence—instruments and material—is suspended. The existence of capital and of wage labour rests on this separation.” Karl Marx. *The Grundrisse*

8. In my own GSCE History class I was told the political continuum was circular, and that “extreme left” and “extreme right” both met at the pole of totalitarianism

9. Speech at the 2nd Congress of the RSDLP, Speech on the Party Programme

10. The Manifesto of the Communist Party, Karl Marx and Friedrich Engels

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